GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2009
ANSWERED ON:26.07.2002
DUTY FREE ACCESS FOR TEXTILE PRODUCTS
JAYABEN B. THAKKAR

Will the Minister of TEXTILES be pleased to state:

(a) whether the European Union (EU) has granted duty-free access to textile products for Pakistan;

(b) if so, the reasons for not granting the same for Indian textile products; and

(c) the efforts being made by the Union Government to secure duty-free access for Indian textile products ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) to (c):- The scheme of Generalised System ofPreferences (GSP)of the European Union (EU) for the period 1st January 2002 to 31st December 2004 inter-alia provides for suspension by the EU of customs duties for all products which have not graduated, under special tariff arrangements to combat drug production and trafficking. Pakistan is one of the beneficiary countries under this special arrangement. India had taken up this issue with EU through bilateral consultations held in February 2002.Since EU, on the basis of its own assessment did not agree to grant similar concessions to India, the bilateral consultations did not yield the desired results from India`s point of view.

As the first step to resolve the above dispute with EU, under the Dispute Settlement Mechanism of WTO, it was decided to seek consultations with EU. The consultations were held with EU on 25th March 2002 during which certain details regarding adverse impact on our trade were conveyed to the EU. These consultations have however not led to positive results. Another round of consultations was held with EU on 9th July, 2002. While we are still open to remedial action from the EU side, further course of action would be taken in accordance with the WTO rules.